23rd UN/CEFACT Forum, Open session on the EC Directive on Public Procurement & draft Directive on eInvoicing for Public Procurement

Tuesday 8 April 2014, Palais des Nations, Geneva

1. The EC Directive on Public Procurement & the draft Directive on eInvoicing for Public Procurement - Marc Christopher Schmidt, DG/MARKT

Marc Christopher gave an update on the Directives and explained that he had been working in DG MARKT since December 2013 with responsibility for e-Procurement. He described the advantages such as the reduction of the administrative burden, improved transparency, accountability, traceability, and reduced litigation, corruption, and fraud. As a result, the European Commission supports very strongly the scope of end-to-end e-Procurement, as confirmed in an EC Communication in 2013. It is about full e-Procurement covering both Pre and Post Award. There are now opportunities to rethink and analyse procurement processes. The related Directives have been published and need to be implemented by 2018. They include the need for messages covering eNotices, eAccess, e-Submision, e-Certis, ESPD (Electronic Single Procurement Document). The ESPD is a document so that the Economic Operator (EO) can submit once, electronically.

The e-Invoice Directive will be published in April/May 2014. It should be implemented by 2020 (CPBs by 2019). The standard will be based on existing standards and CEN will have 3 years to determine which semantic data model to use and which of 5 syntaxes to develop mappings for.

The new Forum on eProcurement (EFEP) will be established in October 2014. Each MS will have two members where one should be a policy expert and the other a business expert. Standardisation bodies will also be represented. It will develop an interpretive guide, support the transition and support interoperability initiatives like eSENS.

An eTendering Pilot is being carried out which will show that an EO in Netherlands can submit to German Contracting Authorities. Some other Member States are also involved. Currently Marc's group is working on standard forms, which will make it easier for solution providers to implement. They will start to work on technical aspects in middle of 2014. They also intend to update eCertis, and a meeting will be held in the middle of the year. A Web Service will be provided where systems can check what type of certificate is needed.

2. The new phase of the European Forum on eInvoicing & the forthcoming standardization request for the establishment of a European standard for the semantic data model of the core elements of an electronic invoice - Antonio Conte, DG/ENTR

Antonio Conte then introduced the forthcoming Directive on e-Invoicing and how it will create a legal framework for the establishment of a European standard, and explained how the Multi-Stakeholder e-Invoicing Forum supports the use of a semantic data model.

Once the Directive is adopted, the Commission will issue a standardisation request, based on reg. 1025/2012 article 10, to CEN, which will request them to do the following;

- Develop an European Norm (standard) for the semantic model
- Identify a limited number of syntaxes
- Develop mappings to the semantic model
- Develop guidelines on the use of the syntax
- Develop guidelines on the transmission
- Develop guidelines on e-Signatures and e-Seals

He then spoke of the public review and stakeholder consultation. Comments have already been received during the period 3/12 /2013 to 31/1/2014. They also consulted many standards bodies and received many comments. Generally they were in support of the initiatives. There were also mixed views on some deliverables and requirements. Many editing proposals, some suggestions were for extra deliverables e.g. describe the national extensions, also PDF, security. Also to include complimentary documents. Also requests to include specific syntaxes.

The draft standardisation request will be finalised by end-April, after the adoption of the Directive. The committee on standardisation will be consulted at 19 June meeting. The request will be notified by end June.

There is no reference to the methodology in the request. The transitional body will address this.

3. The WTO e-GPA Project – Kodjo Osei-Lah, WTO Secretariat

Kodjo Osei-Lah introduced the WTO's Government Procurement Market Access Information Resource (e-GPA) Project.

The Project is designed to move the GPA market access data from a paper based system to an integrated, interactive database accessible via a single online Portal. It aims to provide improved transparency and accessibility to the data, as well as to better publicize the commercial opportunities available under the Agreement. It will include modules on covered procurement statistics, modifications to coverage, notifications and information on National Legislation. It is anticipated that

information notified to and held by the WTO will be accessible via the e-GPA portal. Eventually, it is also envisaged that, to the extent feasible or appropriate, relevant information held in the Parties' respective websites will be made available via the Portal. For instance, initially, the portal will contain only links to Parties' websites where information on procurement opportunities is published. In a future development, consideration will be given to integration of the external information through automatic processes.

The e-GPA Project also aims to ensure compatibility with the integrated database of trade measures across the WTO, notably via the Integrated Trade Intelligence Portal (i-TIP).

Currently the GPA has 15 Parties comprising 43 WTO Members. 10 additional WTO Members, including China, are in the process of acceding to the Agreement.

The objectives of the Agreement include:

- Legally secure access to other Parties' covered procurement markets
- Value for money
- Good governance and the efficient and effective management of public resources

Deliverables

- Phase 1, due June 2014. Delivery of the e-GPA portal incorporating baseline data. User can browse and download data in various formats including Word, PDF, Excel, MHTML, TIFF, csv and xml.

- Phase 2, Dec 2014, which will provide enhancements to the Portal.

- Phase 3 TBD, this will provide advanced functions such as simulations to support accessions and negotiations as well as further enhancements.

Beta site currently live, and undergoing rigorous internal testing.

Implementation challenges include:

- Problems related to data interchange:
    - the issue of Unique Entity ID
    - system to system communication
    - compatibility of data formats, e.g., with regard to statistics.
- Establishing accurate concordance between multiple procurement classification standards used by the Agreement's Parties.

There is a need to further discuss the potential linkages with UNCEFACT.

4. The implementation of UN/CEFACT standards in eProcurement –
Michel Entat & Bernard Longhi – Supply Chain Programme Development Area

Projects included

- TP 2010 eTendering (Construction)
- MEDDE Pays de Loire – CFEM
- Phast eP7 eTendering and contract notification (hospitals) – eTendering, including a new Code List Agency a table of the code lists to be used and update requests to the Units of Measure. Rec 20 which was not fully suitable
- BTP 2015 –eInvoicing portal (public contracts for Local Authorities) CFEM
- Chorus Factures eInvoicing for French state procurement – CII and UBL invoice

Michel showed examples of the live system and freeware message checking service.

He spoke about code lists used for Edibuild Europe, and how the CEN MUG projected included 3 CWAs. (CEN Workshop Agreements) He showed the workflow for the BTP 2015 process. This included approval by Quantity Surveyors and direct payment for sub-contractors. He spoke of the different outputs(pdf, CFEM XML, or csv, where the Invoice can be uploaded, using pdf or xml. Also the same formats were used for payment certificates. There is also a traceability aspect, which showed the audit trail of the processes of BTP.

Bernard then spoke on an e- invoicing project; answering who is AIFE and what is Chorus? AIFE is Financial IT State Agency, under the authority of French Ministry of Economy since 2005. They are responsible for maintaining the Chorus system, which involves 1 billion euro transactions every day. It is the IT system for the management of the French state administration (centralized and decentralized) expenses and incomes (non fiscal) + accounting management.

Chorus has Legal context in e-Invoicing – under the modernisation of Econom Act, which has made it compulsory for state purchasers to receive e-invoices from suppliers, from 1 January 2012 onwards.

A decree (December 2011) adds compulsory data for electronic invoices; fiscal compulsory data, the order or contract number, and the public service ID. A new decree(to be published in the summer 2014 will make it compulsory for suppliers to use e-Invoices with Public bodies, within a planning (probably from 2017 to 2020).

He showed the Chorus-factures Architecture, developed 3 years ago. This provides the facility to either use EDI or upload or key manually. It also provides traceability. Two standards are UBL V2 and CII v3 draft. Also Hybrid invoices can be used including xml core data and signed pdf embedded in xml. Includes scanning PDFs and approval of the xml. Currently there is co-operation between the German and French e-Invoice Forums and the Swedish e-invoicing Forum may also join.

5. The eInvoicing Forum, Germany – Stefan Engel-Flechsig

Stefan explained the creation of the German ZugFeRD Invoice. 3 years ago 30% of companies with over 9 employees were using e-Invoicing, but only 7% using structured. Signature requirement was hindering adoption. This has now changed

as the need for a German Invoice was identified and developed with assistance from GS1 Germany.

2 main elements in new project;

- Paper=Electronic; identical representations of an invoice are allowed i.e. pdf and structure.
- No concept any more of original and copy. If the VAT Elements agree along with key identity elements then it is still the original.

He spoke of FeRD, which is an organisation providing an electronic invoicing platform. The aim is to foster invoicing in public and private sectors. Currently 7 working groups consisting on approx. 25 experts in each are working on different aspects. Results from them include Description of efficient processes, Task-Force "Invoice Volumes", and compliance.

In future it should be just as easy to send/receive electronic as paper. Structured data provides business process optimisation. SMEs have to be considered; Tax Consultants are responsible for archiving if providing booking services. Stakeholders include Industry, ERP providers etc.

The ZUGFeRD bridges the gap between paper and EDI. It facilitates business process automation, ease of adoption, and simpler archiving. Version 0.9 now released, which is in practical use. GS1 Germany, a German chocolate manufacturer and a Harvester manufacturer are using it.

The stated Benefits are; compatible with ISO 19005 archiving, easy to integrate, easy to use, and inexpensive. The Sender does not need to care about receivers capabilities because he can facilitate manual, semi-automatic or full processing using the same document set. It is based on UN/CEFACT CII and ISO standards. Current research shows software companies have already adopted and found it simple to use. It is based on CCL Semantic Model, using ZUGFeRD restricted code lists. An EDIFACT version is under development.

He showed Invoice data profiles, which had Basic (legal), comfort (verification, payment and booking), extended (broadest option) and based on CII and MUG project deliverables. They believe it is in line with EU initiatives using semantic data model. Currently federal organisations are requesting ZUGFeRD but it is not a legal requirement.

Q+A Session;

Andre Hoddevik asked Bernard about the numbers of the two formats are in use in France. Is the UBL version the BII version?

Bernard said that no specific statistics are available. UBL is actually used mainly by UGAP, central national purchasing entity for Local Authorities and CII is used by Ministries Central Offices. The volume of invoices for both may be equivalent. He continued that the implementation used a joint project by CEN Workshops (the so-called guide for a European CORE Invoice data model). BII profile for invoice is part of MUG Data Model. He can make available the link on the Chorus system which describes the syntax used.

Harm Jan spoke of meeting French Government officials who said they were only receiving UBL invoices.

Bernard replied that France Telecom has been sending UN/CEFACT CII v3 Invoices for the past 2 to 3 years, so this cannot be the case.

Martin Forsberg asked about ZUGFeRD, which version of CII. Stefan said it used CCTS 2.01 and would send details of the schema.

Virginia asked about EDI providing better efficiencies and what volumes provide the optimum.

Bernard stated that if you have sufficient volumes then you should use EDI, otherwise use Portal.

Tim asked about the session in general. He said it was a good discussion from Commission and WTO, which showed public procurement opportunities. However he was confused how the other presentations related to them. It showed that there are various derivatives of the CEFACT standards. He believes there is no interoperability between ZUGFeRD and French Ministries Invoice. Michel said they were using draft standards. Bernard said both projects are using the same data model and two syntax implementations.

Tim said we have soon an EN and CEFACT should not focus on an EN. We should focus on ensuring that we have truly interoperable implementations. He mentioned that Stefan has an expectation which is not being delivered.

Stefan replied that it is a truly global standard and that it is based on UN/CFEACT. Their users are happy that it is a global standard. The French and German Forums are working on ensuring they are interoperable. But Tim should make deficiencies known to them in detail.

Mike spoke of the opportunities that should be identified and asked WTO if they could identify an immediate requirements.

Kodjo said the GPA covered procurement market was worth an estimated USD 1.7 trillion, taking into account the estimated increase in coverage brought about by the entry into force of the revised Agreement. This was set to increase significantly when China and other acceding Members - and other WTO Members with accession commitments - eventually join. With regard to prospects for collaboration,

interoperability is key. However, how it happens is yet to be determined and is a matter for further deliberation. Mike said there was a need to have further discussions on this with WTO.

Jostein spoke on the conformance project, which can facilitate interoperability and that we need volunteers.

Anders spoke of the volumes of xml used. He spoke of the 135,000 companies using UN/EDIFACT and that EDIFACT continues to grow. However he only heard EDIFACT mentioned once in this discussion and that it is important.

Marc said it was a very interesting discussion and we will continue to discuss. Michel said meetings like this are very valuable and we should continue.

Mike closed the session by thanking the speakers for their contributions and the audience for their active participation. The Supply Chain PDA would follow up the discussion on potential opportunities for cooperation in the areas of public procurement and eInvoicing.